

AMENDED IN SENATE JULY 20, 2007

AMENDED IN SENATE JULY 3, 2007

AMENDED IN SENATE JUNE 12, 2007

AMENDED IN SENATE MAY 15, 2007

AMENDED IN ASSEMBLY APRIL 9, 2007

AMENDED IN ASSEMBLY FEBRUARY 22, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 62

Introduced by Assembly Member Nava
(Coauthors: Assembly Members Benoit, DeVore, *Gaines*, Horton,
Jeffries, Spitzer, and Strickland)
(Coauthors: Senators Cox, Hollingsworth, and Runner)

December 4, 2006

An act to amend Sections 218, 17207, and 24347.5 of, and to add Sections 195.107, 195.108, 195.109, 195.120, 195.121, and 195.122 to, the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 62, as amended, Nava. Disaster relief.

(1) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect

to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the County of Ventura, which was declared by the Governor to be in a state of emergency due to *the* wildfires that occurred during the 2006 calendar year, and the County of El Dorado, which was declared by the Governor to be in a state of emergency due to the wildfires that occurred in June 2007.

By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing these counties for these property tax revenue reductions, this bill would make an appropriation.

(2) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a "dwelling," as defined.

This bill would provide that any dwelling that qualified for the exemption prior to the commencement dates, as listed in the Governor's proclamations during the 2006 calendar year, that was damaged or destroyed by the wildfires in the County of Ventura, and that has not changed ownership since the commencement dates, as listed in the Governor's proclamations of 2006, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to wildfires.

This bill would also provide that any dwelling that qualified for the exemption prior to June 24, 2007, that was damaged or destroyed by the wildfires in the County of El Dorado, as declared by the Governor in June 2007, and that has not changed ownership since June 24, 2007, may not be denied an exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by

the owner, or was temporarily uninhabited as a result of restricted access to the property due to wildfires.

The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.

This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act. By requiring local tax officials to implement new exemption criteria, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(3) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained in the County of Ventura as a result of the wildfires that occurred during the 2006 calendar year, and the County of El Dorado as a result of the wildfires that occurred in June 2007. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

(4) (A) This bill would incorporate additional changes to Sections 218, 17207, and 24347.5 of the Revenue and Taxation Code, proposed by SB 38 and SB 114, to be operative only if SB 38, SB 114, and this bill are all enacted, all 3 bills amend the respective sections, and this bill is enacted after SB 38 and SB 114.

(B) This bill would incorporate additional changes to Sections 218, 17207, and 24347.5 of the Revenue and Taxation Code, proposed by SB 38, to be operative only if SB 38 and this bill are both enacted, each bill amends the respective sections, SB 114 is not enacted, or if enacted, does not amend those sections, and this bill is enacted after SB 38.

(C) This bill would incorporate additional changes to Sections 218, 17207, and 24347.5 of the Revenue and Taxation Code, proposed by SB 114, to be operative only if SB 114 and this bill are both enacted, each bill amends the respective sections, SB 38 is not enacted, or if enacted, does not amend those sections, and this bill is enacted after SB 114.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 195.107 is added to the Revenue and
2 Taxation Code, to read:

3 195.107. (a) By September 30, 2007, the auditor of the County
4 of Ventura, which was the subject of the Governor's proclamations
5 of a state of emergency during the 2006 calendar year, shall certify
6 to the Director of Finance an estimate of the total amount of the
7 reduction in property tax revenues on both the regular secured roll
8 and the supplemental roll for the 2006–07 fiscal year resulting
9 from the reassessment by the county assessor pursuant to paragraph
10 (1) of subdivision (a) of Section 170 of those properties that are
11 eligible properties as a result of those disasters, except that the
12 amount certified shall not include any estimated property tax
13 revenue reductions to school districts, other than basic state aid
14 school districts, and county offices of education.

15 (b) For purposes of this section, "basic state aid school district"
16 means any school district that does not receive a state
17 apportionment pursuant to subdivision (h) of Section 42238 of the
18 Education Code, but receives from the state only a basic
19 apportionment pursuant to Section 6 of Article IX of the California
20 Constitution.

21 SEC. 2. Section 195.108 is added to the Revenue and Taxation
22 Code, to read:

23 195.108. After the county auditor of ~~an~~ the eligible county, as
24 described in Section 195.107, has made the applicable certification
25 to the Director of Finance pursuant to that section, the director
26 shall within 30 days after verification of the county auditor's
27 estimate, certify this amount to the Controller for allocation to the

1 county. Upon receipt of certification from the Director of Finance,
2 the Controller shall make the appropriate allocation to the county
3 within 10 working days.

4 SEC. 3. Section 195.109 is added to the Revenue and Taxation
5 Code, to read:

6 195.109. (a) On or before June 30, 2008, ~~each~~ *the* eligible
7 county, as described in Section 195.107, shall compute and remit
8 to the Controller for deposit in the General Fund an amount equal
9 to the amount allocated to it by the Controller pursuant to Section
10 195.108, less the actual amount of its property tax revenue lost on
11 the regular secured and supplemental rolls with respect to those
12 eligible properties described in Section 195.107 as a result of the
13 reassessment of those properties pursuant to paragraph (1) of
14 subdivision (a) of Section 170, excluding any property tax revenue
15 lost by school districts, other than basic state aid school districts,
16 and county offices of education. If the actual amount of property
17 tax revenue lost by an eligible county in the immediately preceding
18 fiscal year, as described and limited in the preceding sentence,
19 exceeds the amount allocated by the Controller to that county
20 pursuant to Section 195.108, the Controller shall allocate the
21 amount of that excess to that eligible county.

22 (b) For purposes of this section, “basic state aid school district”
23 means any school district that does not receive a state
24 apportionment pursuant to subdivision (h) of Section 42238 of the
25 Education Code, but receives from the state only a basic
26 apportionment pursuant to Section 6 of Article IX of the California
27 Constitution.

28 SEC. 4. Section 195.120 is added to the Revenue and Taxation
29 Code, to read:

30 195.120. (a) By September 30, 2007, the auditor of the County
31 of El Dorado, which was the subject of the Governor’s
32 proclamation of a state of emergency for the wildfires that
33 commenced on June 24, 2007, shall certify to the Director of
34 Finance an estimate of the total amount of the reduction in property
35 tax revenues on both the regular secured roll and the supplemental
36 roll for the 2006–07 fiscal year resulting from the reassessment
37 by the county assessor pursuant to paragraph (1) of subdivision
38 (a) of Section 170 of those properties that are eligible properties
39 as a result of that disaster, except that the amount certified shall
40 not include any estimated property tax revenue reductions to school

1 districts, other than basic state aid school districts, and county
2 offices of education.

3 (b) For purposes of this section, “basic state aid school district”
4 means any school district that does not receive a state
5 apportionment pursuant to subdivision (h) of Section 42238 of the
6 Education Code, but receives from the state only a basic
7 apportionment pursuant to Section 6 of Article IX of the California
8 Constitution.

9 SEC. 5. Section 195.121 is added to the Revenue and Taxation
10 Code, to read:

11 195.121. After the county auditor of the eligible county, as
12 described in Section 195.120, has made the applicable certification
13 to the Director of Finance pursuant to that section, the director
14 shall within 30 days after verification of the county auditor’s
15 estimate, certify this amount to the Controller for allocation to the
16 county. Upon receipt of certification from the Director of Finance,
17 the Controller shall make the appropriate allocation to the county
18 within 10 working days.

19 SEC. 6. Section 195.122 is added to the Revenue and Taxation
20 Code, to read:

21 195.122. (a) On or before June 30, 2008, the eligible county,
22 as described in Section 195.120, shall compute and remit to the
23 Controller for deposit in the General Fund an amount equal to the
24 amount allocated to it by the Controller pursuant to Section
25 195.121, less the actual amount of its property tax revenue lost on
26 the regular secured and supplemental rolls with respect to those
27 eligible properties described in Section 195.120 as a result of the
28 reassessment of those properties pursuant to paragraph (1) of
29 subdivision (a) of Section 170, excluding any property tax revenue
30 lost by school districts, other than basic state aid school districts,
31 and county offices of education. If the actual amount of property
32 tax revenue lost by the eligible county in the immediately preceding
33 fiscal year, as described and limited in the preceding sentence,
34 exceeds the amount allocated by the Controller to that county
35 pursuant to Section 195.108, the Controller shall allocate the
36 amount of that excess to that eligible county.

37 (b) For purposes of this section, “basic state aid school district”
38 means any school district that does not receive a state
39 apportionment pursuant to subdivision (h) of Section 42238 of the
40 Education Code, but receives from the state only a basic

1 apportionment pursuant to Section 6 of Article IX of the California
2 Constitution.

3 SEC. 7. Section 218 of the Revenue and Taxation Code is
4 amended to read:

5 218. (a) The homeowners' property tax exemption is in the
6 amount of the assessed value of the dwelling specified in this
7 section, as authorized by subdivision (k) of Section 3 of Article
8 XIII of the Constitution. That exemption shall be in the amount
9 of seven thousand dollars (\$7,000) of the full value of the dwelling.

10 (b) The exemption does not extend to property that is rented,
11 vacant, under construction on the lien date, or that is a vacation or
12 secondary home of the owner or owners, nor does it apply to
13 property on which an owner receives the veteran's exemption.

14 (c) For purposes of this section, all of the following apply:

15 (1) "Owner" includes a person purchasing the dwelling under
16 a contract of sale or who holds shares or membership in a
17 cooperative housing corporation, which holding is a requisite to
18 the exclusive right of occupancy of a dwelling.

19 (2) (A) "Dwelling" means a building, structure, or other shelter
20 constituting a place of abode, whether real property or personal
21 property, and any land on which it may be situated. A two-dwelling
22 unit shall be considered as two separate single-family dwellings.

23 (B) "Dwelling" includes the following:

24 (i) A single-family dwelling occupied by an owner thereof as
25 his or her principal place of residence on the lien date.

26 (ii) A multiple-dwelling unit occupied by an owner thereof on
27 the lien date as his or her principal place of residence.

28 (iii) A condominium occupied by an owner thereof as his or her
29 principal place of residence on the lien date.

30 (iv) Premises occupied by the owner of shares or a membership
31 interest in a cooperative housing corporation, as defined in
32 subdivision (i) of Section 61, as his or her principal place of
33 residence on the lien date. Each exemption allowed pursuant to
34 this subdivision shall be deducted from the total assessed valuation
35 of the cooperative housing corporation. The exemption shall be
36 taken into account in apportioning property taxes among owners
37 of share or membership interests in the cooperative housing
38 corporations so as to benefit those owners who qualify for the
39 exemption.

1 (d) Any dwelling that qualified for an exemption under this
2 section prior to October 20, 1991, that was damaged or destroyed
3 by fire in a disaster, as declared by the Governor, occurring on or
4 after October 20, 1991, and before November 1, 1991, and that
5 has not changed ownership since October 20, 1991, shall not be
6 disqualified as a “dwelling” or be denied an exemption under this
7 section solely on the basis that the dwelling was temporarily
8 damaged or destroyed or was being reconstructed by the owner.

9 (e) Any dwelling that qualified for an exemption under this
10 section prior to October 15, 2003, that was damaged or destroyed
11 by fire or earthquake in a disaster, as declared by the Governor,
12 during October, November, or December 2003, and that has not
13 changed ownership since October 15, 2003, shall not be
14 disqualified as a “dwelling” or be denied an exemption under this
15 section solely on the basis that the dwelling was temporarily
16 damaged or destroyed or was being reconstructed by the owner.

17 (f) Any dwelling that qualified for an exemption under this
18 section prior to June 3, 2004, that was damaged or destroyed by
19 flood in a disaster, as declared by the Governor, during June 2004,
20 and that has not changed ownership since June 3, 2004, shall not
21 be disqualified as a “dwelling” or be denied an exemption under
22 this section solely on the basis that the dwelling was temporarily
23 damaged or destroyed or was being reconstructed by the owner.

24 (g) Any dwelling that qualified for an exemption under this
25 section prior to August 11, 2004, that was damaged or destroyed
26 by the wildfires and any other related casualty that occurred in
27 Shasta County in a disaster, as declared by the Governor, during
28 August 2004, and that has not changed ownership since August
29 11, 2004, shall not be disqualified as a “dwelling” or be denied an
30 exemption under this section solely on the basis that the dwelling
31 was temporarily damaged or destroyed or was being reconstructed
32 by the owner.

33 (h) Any dwelling that qualified for an exemption under this
34 section prior to December 28, 2004, that was damaged or destroyed
35 by severe rainstorms, floods, mudslides, or the accumulation of
36 debris in a disaster, as declared by the Governor, during December
37 2004, January 2005, February 2005, March 2005, or June 2005,
38 and that has not changed ownership since December 28, 2004,
39 shall not be disqualified as a “dwelling” or be denied an exemption
40 under this section solely on the basis that the dwelling was

1 temporarily damaged or destroyed or was being reconstructed by
2 the owner, or was temporarily uninhabited as a result of restricted
3 access to the property due to floods, mudslides, the accumulation
4 of debris, or washed-out or damaged roads.

5 (i) Any dwelling that qualified for an exemption under this
6 section prior to December 19, 2005, that was damaged or destroyed
7 by severe rainstorms, floods, mudslides, or the accumulation of
8 debris in a disaster, as declared by the Governor in January 2006,
9 April 2006, May 2006, or June 2006, and that has not changed
10 ownership since December 19, 2005, shall not be disqualified as
11 a “dwelling” or be denied an exemption under this section solely
12 on the basis that the dwelling was temporarily damaged or
13 destroyed or was being reconstructed by the owner, or was
14 temporarily uninhabited as a result of restricted access to the
15 property due to floods, mudslides, the accumulation of debris, or
16 washed-out or damaged roads.

17 (j) Any dwelling that qualified for an exemption under this
18 section prior to July 9, 2006, that was damaged or destroyed by
19 the wildfires and any other related casualty that occurred in the
20 County of San Bernardino, as declared by the Governor in July
21 2006, and that has not changed ownership since July 9, 2006, shall
22 not be disqualified as a “dwelling” or be denied an exemption
23 under this section solely on the basis that the dwelling was
24 temporarily damaged or destroyed or was being reconstructed by
25 the owner, or was temporarily uninhabited as a result of restricted
26 access to the property due to the wildfires.

27 (k) Any dwelling that qualified for an exemption under this
28 section prior to the commencement dates listed in the Governor’s
29 proclamations of 2006 that was damaged or destroyed by the
30 wildfires and any other related casualty that occurred in the County
31 of Ventura, and that has not changed ownership since the
32 commencement dates listed in the Governor’s proclamations of
33 2006 shall not be disqualified as a “dwelling” or be denied an
34 exemption under this section solely on the basis that the dwelling
35 was temporarily damaged or destroyed or was being reconstructed
36 by the owner, or was temporarily uninhabited as a result of
37 restricted access to the property due to the wildfires.

38 (l) Any dwelling that qualified for an exemption under this
39 section prior to June 24, 2007, that was damaged or destroyed by
40 the wildfires and any other related casualty that occurred in the

1 County of El Dorado, as declared by the Governor in June 2007,
2 and that has not changed ownership since June 24, 2007, shall not
3 be disqualified as a “dwelling” or be denied an exemption under
4 this section solely on the basis that the dwelling was temporarily
5 damaged or destroyed or was being reconstructed by the owner,
6 or was temporarily uninhabited as a result of restricted access to
7 the property due to the wildfires.

8 (m) The exemption provided for in subdivision (k) of Section
9 3 of Article XIII of the Constitution shall first be applied to the
10 building, structure, or other shelter and the excess, if any, shall be
11 applied to any land on which it may be located.

12 SEC. 7.5. Section 218 of the Revenue and Taxation Code is
13 amended to read:

14 218. (a) The homeowners’ property tax exemption is in the
15 amount of the assessed value of the dwelling specified in this
16 section, as authorized by subdivision (k) of Section 3 of Article
17 XIII of the Constitution. That exemption shall be in the amount
18 of seven thousand dollars (\$7,000) of the full value of the dwelling.

19 (b) The exemption does not extend to property that is rented,
20 vacant, under construction on the lien date, or that is a vacation or
21 secondary home of the owner or owners, nor does it apply to
22 property on which an owner receives the veteran’s exemption.

23 (c) For purposes of this section, all of the following apply:

24 (1) “Owner” includes a person purchasing the dwelling under
25 a contract of sale or who holds shares or membership in a
26 cooperative housing corporation, which holding is a requisite to
27 the exclusive right of occupancy of a dwelling.

28 (2) (A) “Dwelling” means a building, structure, or other shelter
29 constituting a place of abode, whether real property or personal
30 property, and any land on which it may be situated. A two-dwelling
31 unit shall be considered as two separate single-family dwellings.

32 (B) “Dwelling” includes the following:

33 (i) A single-family dwelling occupied by an owner thereof as
34 his or her principal place of residence on the lien date.

35 (ii) A multiple-dwelling unit occupied by an owner thereof on
36 the lien date as his or her principal place of residence.

37 (iii) A condominium occupied by an owner thereof as his or her
38 principal place of residence on the lien date.

39 (iv) Premises occupied by the owner of shares or a membership
40 interest in a cooperative housing corporation, as defined in

1 subdivision (i) of Section 61, as his or her principal place of
2 residence on the lien date. Each exemption allowed pursuant to
3 this subdivision shall be deducted from the total assessed valuation
4 of the cooperative housing corporation. The exemption shall be
5 taken into account in apportioning property taxes among owners
6 of share or membership interests in the cooperative housing
7 corporations so as to benefit those owners who qualify for the
8 exemption.

9 (d) Any dwelling that qualified for an exemption under this
10 section prior to October 20, 1991, that was damaged or destroyed
11 by fire in a disaster, as declared by the Governor, occurring on or
12 after October 20, 1991, and before November 1, 1991, and that
13 has not changed ownership since October 20, 1991, shall not be
14 disqualified as a “dwelling” or be denied an exemption under this
15 section solely on the basis that the dwelling was temporarily
16 damaged or destroyed or was being reconstructed by the owner.

17 (e) Any dwelling that qualified for an exemption under this
18 section prior to October 15, 2003, that was damaged or destroyed
19 by fire or earthquake in a disaster, as declared by the Governor,
20 during October, November, or December 2003, and that has not
21 changed ownership since October 15, 2003, shall not be
22 disqualified as a “dwelling” or be denied an exemption under this
23 section solely on the basis that the dwelling was temporarily
24 damaged or destroyed or was being reconstructed by the owner.

25 (f) Any dwelling that qualified for an exemption under this
26 section prior to June 3, 2004, that was damaged or destroyed by
27 flood in a disaster, as declared by the Governor, during June 2004,
28 and that has not changed ownership since June 3, 2004, shall not
29 be disqualified as a “dwelling” or be denied an exemption under
30 this section solely on the basis that the dwelling was temporarily
31 damaged or destroyed or was being reconstructed by the owner.

32 (g) Any dwelling that qualified for an exemption under this
33 section prior to August 11, 2004, that was damaged or destroyed
34 by the wildfires and any other related casualty that occurred in
35 Shasta County in a disaster, as declared by the Governor, during
36 August 2004, and that has not changed ownership since August
37 11, 2004, shall not be disqualified as a “dwelling” or be denied an
38 exemption under this section solely on the basis that the dwelling
39 was temporarily damaged or destroyed or was being reconstructed
40 by the owner.

1 (h) Any dwelling that qualified for an exemption under this
2 section prior to December 28, 2004, that was damaged or destroyed
3 by severe rainstorms, floods, mudslides, or the accumulation of
4 debris in a disaster, as declared by the Governor, during December
5 2004, January 2005, February 2005, March 2005, or June 2005,
6 and that has not changed ownership since December 28, 2004,
7 shall not be disqualified as a “dwelling” or be denied an exemption
8 under this section solely on the basis that the dwelling was
9 temporarily damaged or destroyed or was being reconstructed by
10 the owner, or was temporarily uninhabited as a result of restricted
11 access to the property due to floods, mudslides, the accumulation
12 of debris, or washed-out or damaged roads.

13 (i) Any dwelling that qualified for an exemption under this
14 section prior to December 19, 2005, that was damaged or destroyed
15 by severe rainstorms, floods, mudslides, or the accumulation of
16 debris in a disaster, as declared by the Governor in January 2006,
17 April 2006, May 2006, or June 2006, and that has not changed
18 ownership since December 19, 2005, shall not be disqualified as
19 a “dwelling” or be denied an exemption under this section solely
20 on the basis that the dwelling was temporarily damaged or
21 destroyed or was being reconstructed by the owner, or was
22 temporarily uninhabited as a result of restricted access to the
23 property due to floods, mudslides, the accumulation of debris, or
24 washed-out or damaged roads.

25 (j) Any dwelling that qualified for an exemption under this
26 section prior to July 9, 2006, that was damaged or destroyed by
27 the wildfires and any other related casualty that occurred in the
28 County of San Bernardino, as declared by the Governor in July
29 2006, and that has not changed ownership since July 9, 2006, shall
30 not be disqualified as a “dwelling” or be denied an exemption
31 under this section solely on the basis that the dwelling was
32 temporarily damaged or destroyed or was being reconstructed by
33 the owner, or was temporarily uninhabited as a result of restricted
34 access to the property due to the wildfires.

35 (k) Any dwelling that qualified for an exemption under this
36 section prior to the commencement dates listed in the Governor’s
37 proclamations of 2006 that was damaged or destroyed by the
38 wildfires and any other related casualty that occurred in the
39 Counties of Riverside and Ventura, and that has not changed
40 ownership since the commencement dates listed in the Governor’s

1 proclamations of 2006 shall not be disqualified as a “dwelling” or
2 be denied an exemption under this section solely on the basis that
3 the dwelling was temporarily damaged or destroyed or was being
4 reconstructed by the owner, or was temporarily uninhabited as a
5 result of restricted access to the property due to the wildfires.

6 (l) Any dwelling that qualified for an exemption under this
7 section prior to January 11, 2007, that was damaged or destroyed
8 by severe freezing conditions, commencing January 11, 2007, and
9 any other related casualty that occurred in the Counties of El
10 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,
11 Riverside, San Bernardino, San Diego, San Luis Obispo, Santa
12 Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a
13 result of a disaster as declared by the Governor, and that has not
14 changed ownership since January 11, 2007, shall not be disqualified
15 as a “dwelling” or be denied an exemption under this section solely
16 on the basis that the dwelling was temporarily damaged or
17 destroyed or was being reconstructed by the owner, or was
18 temporarily uninhabited as a result of restricted access to the
19 property due to severe freezing conditions.

20 (m) Any dwelling that qualified for an exemption under this
21 section prior to June 24, 2007, that was damaged or destroyed by
22 the wildfires and any other related casualty that occurred in the
23 County of El Dorado, as declared by the Governor in June 2007,
24 and that has not changed ownership since June 24, 2007, shall not
25 be disqualified as a “dwelling” or be denied an exemption under
26 this section solely on the basis that the dwelling was temporarily
27 damaged or destroyed or was being reconstructed by the owner,
28 or was temporarily uninhabited as a result of restricted access to
29 the property due to the wildfires.

30 (n) The exemption provided for in subdivision (k) of Section 3
31 of Article XIII of the Constitution shall first be applied to the
32 building, structure, or other shelter and the excess, if any, shall be
33 applied to any land on which it may be located.

34 SEC. 7.7. Section 218 of the Revenue and Taxation Code is
35 amended to read:

36 218. (a) The homeowners’ property tax exemption is in the
37 amount of the assessed value of the dwelling specified in this
38 section, as authorized by subdivision (k) of Section 3 of Article
39 XIII of the Constitution. That exemption shall be in the amount
40 of seven thousand dollars (\$7,000) of the full value of the dwelling.

1 (b) The exemption does not extend to property that is rented,
2 vacant, under construction on the lien date, or that is a vacation or
3 secondary home of the owner or owners, nor does it apply to
4 property on which an owner receives the veteran's exemption.

5 (c) For purposes of this section, all of the following apply:

6 (1) "Owner" includes a person purchasing the dwelling under
7 a contract of sale or who holds shares or membership in a
8 cooperative housing corporation, which holding is a requisite to
9 the exclusive right of occupancy of a dwelling.

10 (2) (A) "Dwelling" means a building, structure, or other shelter
11 constituting a place of abode, whether real property or personal
12 property, and any land on which it may be situated. A two-dwelling
13 unit shall be considered as two separate single-family dwellings.

14 (B) "Dwelling" includes the following:

15 (i) A single-family dwelling occupied by an owner thereof as
16 his or her principal place of residence on the lien date.

17 (ii) A multiple-dwelling unit occupied by an owner thereof on
18 the lien date as his or her principal place of residence.

19 (iii) A condominium occupied by an owner thereof as his or her
20 principal place of residence on the lien date.

21 (iv) Premises occupied by the owner of shares or a membership
22 interest in a cooperative housing corporation, as defined in
23 subdivision (i) of Section 61, as his or her principal place of
24 residence on the lien date. Each exemption allowed pursuant to
25 this subdivision shall be deducted from the total assessed valuation
26 of the cooperative housing corporation. The exemption shall be
27 taken into account in apportioning property taxes among owners
28 of share or membership interests in the cooperative housing
29 corporations so as to benefit those owners who qualify for the
30 exemption.

31 (d) Any dwelling that qualified for an exemption under this
32 section prior to October 20, 1991, that was damaged or destroyed
33 by fire in a disaster, as declared by the Governor, occurring on or
34 after October 20, 1991, and before November 1, 1991, and that
35 has not changed ownership since October 20, 1991, shall not be
36 disqualified as a "dwelling" or be denied an exemption under this
37 section solely on the basis that the dwelling was temporarily
38 damaged or destroyed or was being reconstructed by the owner.

39 (e) Any dwelling that qualified for an exemption under this
40 section prior to October 15, 2003, that was damaged or destroyed

1 by fire or earthquake in a disaster, as declared by the Governor,
2 during October, November, or December 2003, and that has not
3 changed ownership since October 15, 2003, shall not be
4 disqualified as a “dwelling” or be denied an exemption under this
5 section solely on the basis that the dwelling was temporarily
6 damaged or destroyed or was being reconstructed by the owner.

7 (f) Any dwelling that qualified for an exemption under this
8 section prior to June 3, 2004, that was damaged or destroyed by
9 flood in a disaster, as declared by the Governor, during June 2004,
10 and that has not changed ownership since June 3, 2004, shall not
11 be disqualified as a “dwelling” or be denied an exemption under
12 this section solely on the basis that the dwelling was temporarily
13 damaged or destroyed or was being reconstructed by the owner.

14 (g) Any dwelling that qualified for an exemption under this
15 section prior to August 11, 2004, that was damaged or destroyed
16 by the wildfires and any other related casualty that occurred in
17 Shasta County in a disaster, as declared by the Governor, during
18 August 2004, and that has not changed ownership since August
19 11, 2004, shall not be disqualified as a “dwelling” or be denied an
20 exemption under this section solely on the basis that the dwelling
21 was temporarily damaged or destroyed or was being reconstructed
22 by the owner.

23 (h) Any dwelling that qualified for an exemption under this
24 section prior to December 28, 2004, that was damaged or destroyed
25 by severe rainstorms, floods, mudslides, or the accumulation of
26 debris in a disaster, as declared by the Governor, during December
27 2004, January 2005, February 2005, March 2005, or June 2005,
28 and that has not changed ownership since December 28, 2004,
29 shall not be disqualified as a “dwelling” or be denied an exemption
30 under this section solely on the basis that the dwelling was
31 temporarily damaged or destroyed or was being reconstructed by
32 the owner, or was temporarily uninhabited as a result of restricted
33 access to the property due to floods, mudslides, the accumulation
34 of debris, or washed-out or damaged roads.

35 (i) Any dwelling that qualified for an exemption under this
36 section prior to December 19, 2005, that was damaged or destroyed
37 by severe rainstorms, floods, mudslides, or the accumulation of
38 debris in a disaster, as declared by the Governor in January 2006,
39 April 2006, May 2006, or June 2006, and that has not changed
40 ownership since December 19, 2005, shall not be disqualified as

1 a “dwelling” or be denied an exemption under this section solely
2 on the basis that the dwelling was temporarily damaged or
3 destroyed or was being reconstructed by the owner, or was
4 temporarily uninhabited as a result of restricted access to the
5 property due to floods, mudslides, the accumulation of debris, or
6 washed-out or damaged roads.

7 (j) Any dwelling that qualified for an exemption under this
8 section prior to July 9, 2006, that was damaged or destroyed by
9 the wildfires and any other related casualty that occurred in the
10 County of San Bernardino, as declared by the Governor in July
11 2006, and that has not changed ownership since July 9, 2006, shall
12 not be disqualified as a “dwelling” or be denied an exemption
13 under this section solely on the basis that the dwelling was
14 temporarily damaged or destroyed or was being reconstructed by
15 the owner, or was temporarily uninhabited as a result of restricted
16 access to the property due to the wildfires.

17 (k) Any dwelling that qualified for an exemption under this
18 section prior to the commencement dates listed in the Governor’s
19 proclamations of 2006 that was damaged or destroyed by the
20 wildfires and any other related casualty that occurred in the
21 Counties of Riverside and Ventura, and that has not changed
22 ownership since the commencement dates listed in the Governor’s
23 proclamations of 2006 shall not be disqualified as a “dwelling” or
24 be denied an exemption under this section solely on the basis that
25 the dwelling was temporarily damaged or destroyed or was being
26 reconstructed by the owner, or was temporarily uninhabited as a
27 result of restricted access to the property due to the wildfires.

28 (l) Any dwelling that qualified for an exemption under this
29 section prior to June 24, 2007, that was damaged or destroyed by
30 the wildfires and any other related casualty that occurred in the
31 County of El Dorado, as declared by the Governor in June 2007,
32 and that has not changed ownership since June 24, 2007, shall not
33 be disqualified as a “dwelling” or be denied an exemption under
34 this section solely on the basis that the dwelling was temporarily
35 damaged or destroyed or was being reconstructed by the owner,
36 or was temporarily uninhabited as a result of restricted access to
37 the property due to the wildfires.

38 (m) The exemption provided for in subdivision (k) of Section
39 3 of Article XIII of the Constitution shall first be applied to the

1 building, structure, or other shelter and the excess, if any, shall be
2 applied to any land on which it may be located.

3 SEC. 7.9. Section 218 of the Revenue and Taxation Code is
4 amended to read:

5 218. (a) The homeowners' property tax exemption is in the
6 amount of the assessed value of the dwelling specified in this
7 section, as authorized by subdivision (k) of Section 3 of Article
8 XIII of the Constitution. That exemption shall be in the amount
9 of seven thousand dollars (\$7,000) of the full value of the dwelling.

10 (b) The exemption does not extend to property that is rented,
11 vacant, under construction on the lien date, or that is a vacation or
12 secondary home of the owner or owners, nor does it apply to
13 property on which an owner receives the veteran's exemption.

14 (c) For purposes of this section, all of the following apply:

15 (1) "Owner" includes a person purchasing the dwelling under
16 a contract of sale or who holds shares or membership in a
17 cooperative housing corporation, which holding is a requisite to
18 the exclusive right of occupancy of a dwelling.

19 (2) (A) "Dwelling" means a building, structure, or other shelter
20 constituting a place of abode, whether real property or personal
21 property, and any land on which it may be situated. A two-dwelling
22 unit shall be considered as two separate single-family dwellings.

23 (B) "Dwelling" includes the following:

24 (i) A single-family dwelling occupied by an owner thereof as
25 his or her principal place of residence on the lien date.

26 (ii) A multiple-dwelling unit occupied by an owner thereof on
27 the lien date as his or her principal place of residence.

28 (iii) A condominium occupied by an owner thereof as his or her
29 principal place of residence on the lien date.

30 (iv) Premises occupied by the owner of shares or a membership
31 interest in a cooperative housing corporation, as defined in
32 subdivision (i) of Section 61, as his or her principal place of
33 residence on the lien date. Each exemption allowed pursuant to
34 this subdivision shall be deducted from the total assessed valuation
35 of the cooperative housing corporation. The exemption shall be
36 taken into account in apportioning property taxes among owners
37 of share or membership interests in the cooperative housing
38 corporations so as to benefit those owners who qualify for the
39 exemption.

1 (d) Any dwelling that qualified for an exemption under this
2 section prior to October 20, 1991, that was damaged or destroyed
3 by fire in a disaster, as declared by the Governor, occurring on or
4 after October 20, 1991, and before November 1, 1991, and that
5 has not changed ownership since October 20, 1991, shall not be
6 disqualified as a “dwelling” or be denied an exemption under this
7 section solely on the basis that the dwelling was temporarily
8 damaged or destroyed or was being reconstructed by the owner.

9 (e) Any dwelling that qualified for an exemption under this
10 section prior to October 15, 2003, that was damaged or destroyed
11 by fire or earthquake in a disaster, as declared by the Governor,
12 during October, November, or December 2003, and that has not
13 changed ownership since October 15, 2003, shall not be
14 disqualified as a “dwelling” or be denied an exemption under this
15 section solely on the basis that the dwelling was temporarily
16 damaged or destroyed or was being reconstructed by the owner.

17 (f) Any dwelling that qualified for an exemption under this
18 section prior to June 3, 2004, that was damaged or destroyed by
19 flood in a disaster, as declared by the Governor, during June 2004,
20 and that has not changed ownership since June 3, 2004, shall not
21 be disqualified as a “dwelling” or be denied an exemption under
22 this section solely on the basis that the dwelling was temporarily
23 damaged or destroyed or was being reconstructed by the owner.

24 (g) Any dwelling that qualified for an exemption under this
25 section prior to August 11, 2004, that was damaged or destroyed
26 by the wildfires and any other related casualty that occurred in
27 Shasta County in a disaster, as declared by the Governor, during
28 August 2004, and that has not changed ownership since August
29 11, 2004, shall not be disqualified as a “dwelling” or be denied an
30 exemption under this section solely on the basis that the dwelling
31 was temporarily damaged or destroyed or was being reconstructed
32 by the owner.

33 (h) Any dwelling that qualified for an exemption under this
34 section prior to December 28, 2004, that was damaged or destroyed
35 by severe rainstorms, floods, mudslides, or the accumulation of
36 debris in a disaster, as declared by the Governor, during December
37 2004, January 2005, February 2005, March 2005, or June 2005,
38 and that has not changed ownership since December 28, 2004,
39 shall not be disqualified as a “dwelling” or be denied an exemption
40 under this section solely on the basis that the dwelling was

1 temporarily damaged or destroyed or was being reconstructed by
2 the owner, or was temporarily uninhabited as a result of restricted
3 access to the property due to floods, mudslides, the accumulation
4 of debris, or washed-out or damaged roads.

5 (i) Any dwelling that qualified for an exemption under this
6 section prior to December 19, 2005, that was damaged or destroyed
7 by severe rainstorms, floods, mudslides, or the accumulation of
8 debris in a disaster, as declared by the Governor in January 2006,
9 April 2006, May 2006, or June 2006, and that has not changed
10 ownership since December 19, 2005, shall not be disqualified as
11 a “dwelling” or be denied an exemption under this section solely
12 on the basis that the dwelling was temporarily damaged or
13 destroyed or was being reconstructed by the owner, or was
14 temporarily uninhabited as a result of restricted access to the
15 property due to floods, mudslides, the accumulation of debris, or
16 washed-out or damaged roads.

17 (j) Any dwelling that qualified for an exemption under this
18 section prior to July 9, 2006, that was damaged or destroyed by
19 the wildfires and any other related casualty that occurred in the
20 County of San Bernardino, as declared by the Governor in July
21 2006, and that has not changed ownership since July 9, 2006, shall
22 not be disqualified as a “dwelling” or be denied an exemption
23 under this section solely on the basis that the dwelling was
24 temporarily damaged or destroyed or was being reconstructed by
25 the owner, or was temporarily uninhabited as a result of restricted
26 access to the property due to the wildfires.

27 (k) Any dwelling that qualified for an exemption under this
28 section prior to the commencement dates listed in the Governor’s
29 proclamations of 2006 that was damaged or destroyed by the
30 wildfires and any other related casualty that occurred in the County
31 of Ventura, and that has not changed ownership since the
32 commencement dates listed in the Governor’s proclamations of
33 2006 shall not be disqualified as a “dwelling” or be denied an
34 exemption under this section solely on the basis that the dwelling
35 was temporarily damaged or destroyed or was being reconstructed
36 by the owner, or was temporarily uninhabited as a result of
37 restricted access to the property due to the wildfires.

38 (l) Any dwelling that qualified for an exemption under this
39 section prior to January 11, 2007, that was damaged or destroyed
40 by severe freezing conditions, commencing January 11, 2007, and

1 any other related casualty that occurred in the Counties of El
2 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,
3 Riverside, San Bernardino, San Diego, San Luis Obispo, Santa
4 Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a
5 result of a disaster as declared by the Governor, and that has not
6 changed ownership since January 11, 2007, shall not be disqualified
7 as a “dwelling” or be denied an exemption under this section solely
8 on the basis that the dwelling was temporarily damaged or
9 destroyed or was being reconstructed by the owner, or was
10 temporarily uninhabited as a result of restricted access to the
11 property due to severe freezing conditions.

12 (m) Any dwelling that qualified for an exemption under this
13 section prior to June 24, 2007, that was damaged or destroyed by
14 the wildfires and any other related casualty that occurred in the
15 County of El Dorado, as declared by the Governor in June 2007,
16 and that has not changed ownership since June 24, 2007, shall not
17 be disqualified as a “dwelling” or be denied an exemption under
18 this section solely on the basis that the dwelling was temporarily
19 damaged or destroyed or was being reconstructed by the owner,
20 or was temporarily uninhabited as a result of restricted access to
21 the property due to the wildfires.

22 (n) The exemption provided for in subdivision (k) of Section 3
23 of Article XIII of the Constitution shall first be applied to the
24 building, structure, or other shelter and the excess, if any, shall be
25 applied to any land on which it may be located.

26 SEC. 8. Section 17207 of the Revenue and Taxation Code is
27 amended to read:

28 17207. (a) An excess disaster loss, as defined in subdivision
29 (c), shall be carried to other taxable years as provided in
30 subdivision (b), with respect to losses resulting from any of the
31 following disasters:

32 (1) Forest fire or any other related casualty occurring in 1985
33 in California.

34 (2) Storm, flooding, or any other related casualty occurring in
35 1986 in California.

36 (3) Any loss sustained during 1987 as a result of a forest fire or
37 any other related casualty.

38 (4) Earthquake, aftershock, or any other related casualty
39 occurring in 1987 in California.

1 (5) Earthquake, aftershock, or any other related casualty
2 occurring in 1989 in California.

3 (6) Any loss sustained during 1990 as a result of fire or any
4 other related casualty in California.

5 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
6 of 1991, or any other related casualty.

7 (8) Any loss sustained as a result of storm, flooding, or any
8 other related casualty occurring in February 1992 in California.

9 (9) Earthquake, aftershock, or any other related casualty
10 occurring in April 1992 in the County of Humboldt.

11 (10) Riots, arson, or any other related casualty occurring in
12 April or May 1992 in California.

13 (11) Any loss sustained as a result of the earthquakes that
14 occurred in the County of San Bernardino in June and July of 1992,
15 or any other related casualty.

16 (12) Any loss sustained as a result of the Fountain Fire that
17 occurred in the County of Shasta, or as a result of either of the
18 fires in the Counties of Calaveras and Trinity that occurred in
19 August 1992, or any other related casualty.

20 (13) Any loss sustained as a result of storm, flooding, or any
21 other related casualty that occurred in the Counties of Alpine,
22 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
23 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
24 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
25 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
26 Fillmore in January 1993.

27 (14) Any loss sustained as a result of a fire that occurred in the
28 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
29 Diego, and Ventura, during October or November of 1993, or any
30 other related casualty.

31 (15) Any loss sustained as a result of the earthquake, aftershocks,
32 or any other related casualty that occurred in the Counties of Los
33 Angeles, Orange, and Ventura on or after January 17, 1994.

34 (16) Any loss sustained as a result of a fire that occurred in the
35 County of San Luis Obispo during August of 1994, or any other
36 related casualty.

37 (17) Any loss sustained as a result of the storms or flooding
38 occurring in 1995, or any other related casualty, sustained in any
39 county of this state subject to a disaster declaration with respect
40 to the storms and flooding.

1 (18) Any loss sustained as a result of the storms or flooding
2 occurring in December 1996 or January 1997, or any related
3 casualty, sustained in any county of this state subject to a disaster
4 declaration with respect to the storms or flooding.

5 (19) Any loss sustained as a result of the storms or flooding
6 occurring in February 1998, or any related casualty, sustained in
7 any county of this state subject to a disaster declaration with respect
8 to the storms or flooding.

9 (20) Any loss sustained as a result of a freeze occurring in the
10 winter of 1998–99, or any related casualty, sustained in any county
11 of this state subject to a disaster declaration with respect to the
12 freeze.

13 (21) Any loss sustained as a result of an earthquake occurring
14 in September 2000, that was included in the Governor's
15 proclamation of a state of emergency for the County of Napa.

16 (22) Any loss sustained as a result of the Middle River levee
17 break in San Joaquin County occurring in June 2004.

18 (23) Any losses sustained as a result of the fires that occurred
19 in the Counties of Los Angeles, Riverside, San Bernardino, San
20 Diego, and Ventura in October and November 2003, or as a result
21 of floods, mudflows, and debris flows, directly related to fires.

22 (24) Any losses sustained in the Counties of Santa Barbara and
23 San Luis Obispo as a result of the San Simeon earthquake,
24 aftershocks, and any other related casualties.

25 (25) Any losses sustained as a result of the wildfires that
26 occurred in Shasta County, commencing August 11, 2004, and
27 any other related casualty.

28 (26) Any loss sustained in the Counties of Kern, Los Angeles,
29 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
30 and Ventura as a result of the severe rainstorms, related flooding
31 and slides, and any other related casualties, that occurred in
32 December 2004, January 2005, February 2005, March 2005, or
33 June 2005.

34 (27) Any loss sustained in the Counties of Alameda, Alpine,
35 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
36 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
37 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
38 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
39 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
40 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of

1 the severe rainstorms, related flooding and slides, and any other
2 related casualties, that occurred in December 2005, January 2006,
3 March 2006, or April 2006.

4 (28) Any loss sustained in the County of San Bernardino as a
5 result of the wildfires that occurred in July 2006.

6 (29) Any loss sustained in the County of Ventura as a result of
7 wildfires that occurred during the 2006 calendar year.

8 (30) Any loss sustained in the County of El Dorado as a result
9 of wildfires that occurred in June 2007.

10 (b) (1) In the case of any loss allowed under Section 165(c) of
11 the Internal Revenue Code, relating to limitation of losses of
12 individuals, any excess disaster loss shall be carried forward to
13 each of the five taxable years following the taxable year for which
14 the loss is claimed. However, if there is any excess disaster loss
15 remaining after the five-year period, then the applicable percentage,
16 as set forth in paragraph (1) of subdivision (b) of Section 17276,
17 of that excess disaster loss shall be carried forward to each of the
18 next 10 taxable years.

19 (2) The entire amount of any excess disaster loss as defined in
20 subdivision (c) shall be carried to the earliest of the taxable years
21 to which, by reason of subdivision (b), the loss may be carried.
22 The portion of the loss which shall be carried to each of the other
23 taxable years shall be the excess, if any, of the amount of excess
24 disaster loss over the sum of the adjusted taxable income for each
25 of the prior taxable years to which that excess disaster loss is
26 carried.

27 (c) "Excess disaster loss" means a disaster loss computed
28 pursuant to Section 165 of the Internal Revenue Code which
29 exceeds the adjusted taxable income of the year of loss or, if the
30 election under Section 165(i) of the Internal Revenue Code is
31 made, the adjusted taxable income of the year preceding the loss.

32 (d) The provisions of this section and Section 165(i) of the
33 Internal Revenue Code shall be applicable to any of the losses
34 listed in subdivision (a) sustained in any county or city in this state
35 which was proclaimed by the Governor to be in a state of disaster.

36 (e) Losses allowable under this section may not be taken into
37 account in computing a net operating loss deduction under Section
38 172 of the Internal Revenue Code.

39 (f) For purposes of this section, "adjusted taxable income" shall
40 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

(g) For losses described in paragraphs (15) to (30), inclusive, of subdivision (a), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 8.5. Section 17207 of the Revenue and Taxation Code is amended to read:

17207. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(9) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(10) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(11) Any loss sustained as a result of the earthquakes that occurred in the County of San Bernardino in June and July of 1992, or any other related casualty.

(12) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(13) Any loss sustained as a result of storm, flooding, or any other related casualty that occurred in the Counties of Alpine,

1 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
2 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
3 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
4 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
5 Fillmore in January 1993.

6 (14) Any loss sustained as a result of a fire that occurred in the
7 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
8 Diego, and Ventura, during October or November of 1993, or any
9 other related casualty.

10 (15) Any loss sustained as a result of the earthquake, aftershocks,
11 or any other related casualty that occurred in the Counties of Los
12 Angeles, Orange, and Ventura on or after January 17, 1994.

13 (16) Any loss sustained as a result of a fire that occurred in the
14 County of San Luis Obispo during August of 1994, or any other
15 related casualty.

16 (17) Any loss sustained as a result of the storms or flooding
17 occurring in 1995, or any other related casualty, sustained in any
18 county of this state subject to a disaster declaration with respect
19 to the storms and flooding.

20 (18) Any loss sustained as a result of the storms or flooding
21 occurring in December 1996 or January 1997, or any related
22 casualty, sustained in any county of this state subject to a disaster
23 declaration with respect to the storms or flooding.

24 (19) Any loss sustained as a result of the storms or flooding
25 occurring in February 1998, or any related casualty, sustained in
26 any county of this state subject to a disaster declaration with respect
27 to the storms or flooding.

28 (20) Any loss sustained as a result of a freeze occurring in the
29 winter of 1998–99, or any related casualty, sustained in any county
30 of this state subject to a disaster declaration with respect to the
31 freeze.

32 (21) Any loss sustained as a result of an earthquake occurring
33 in September 2000, that was included in the Governor's
34 proclamation of a state of emergency for the County of Napa.

35 (22) Any loss sustained as a result of the Middle River levee
36 break in San Joaquin County occurring in June 2004.

37 (23) Any losses sustained as a result of the fires that occurred
38 in the Counties of Los Angeles, Riverside, San Bernardino, San
39 Diego, and Ventura in October and November 2003, or as a result
40 of floods, mudflows, and debris flows, directly related to fires.

1 (24) Any losses sustained in the Counties of Santa Barbara and
2 San Luis Obispo as a result of the San Simeon earthquake,
3 aftershocks, and any other related casualties.

4 (25) Any losses sustained as a result of the wildfires that
5 occurred in Shasta County, commencing August 11, 2004, and
6 any other related casualty.

7 (26) Any loss sustained in the Counties of Kern, Los Angeles,
8 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
9 and Ventura as a result of the severe rainstorms, related flooding
10 and slides, and any other related casualties, that occurred in
11 December 2004, January 2005, February 2005, March 2005, or
12 June 2005.

13 (27) Any loss sustained in the Counties of Alameda, Alpine,
14 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
15 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
16 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
17 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
18 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
19 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
20 the severe rainstorms, related flooding and slides, and any other
21 related casualties, that occurred in December 2005, January 2006,
22 March 2006, or April 2006.

23 (28) Any loss sustained in the County of San Bernardino as a
24 result of the wildfires that occurred in July 2006.

25 (29) Any loss sustained in the Counties of Riverside and Ventura
26 as a result of wildfires that occurred during the 2006 calendar year.

27 (30) Any loss sustained in the Counties of El Dorado, Fresno,
28 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
29 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa
30 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject
31 of the Governor's proclamations of a state of emergency for the
32 severe freezing conditions that occurred in January 2007.

33 (31) Any loss sustained in the County of El Dorado as a result
34 of wildfires that occurred in June 2007.

35 (b) (1) In the case of any loss allowed under Section 165(c) of
36 the Internal Revenue Code, relating to limitation of losses of
37 individuals, any excess disaster loss shall be carried forward to
38 each of the five taxable years following the taxable year for which
39 the loss is claimed. However, if there is any excess disaster loss
40 remaining after the five-year period, then the applicable percentage,

as set forth in paragraph (1) of subdivision (b) of Section 17276, of that excess disaster loss shall be carried forward to each of the next 10 taxable years.

(2) The entire amount of any excess disaster loss as defined in subdivision (c) shall be carried to the earliest of the taxable years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of excess disaster loss over the sum of the adjusted taxable income for each of the prior taxable years to which that excess disaster loss is carried.

(c) "Excess disaster loss" means a disaster loss computed pursuant to Section 165 of the Internal Revenue Code which exceeds the adjusted taxable income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the adjusted taxable income of the year preceding the loss.

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the losses listed in subdivision (a) sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster.

(e) Losses allowable under this section may not be taken into account in computing a net operating loss deduction under Section 172 of the Internal Revenue Code.

(f) For purposes of this section, "adjusted taxable income" shall be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

(g) For losses described in paragraphs (15) to (31), inclusive, of subdivision (a), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 8.7. Section 17207 of the Revenue and Taxation Code is amended to read:

17207. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

- 1 (3) Any loss sustained during 1987 as a result of a forest fire or
2 any other related casualty.
- 3 (4) Earthquake, aftershock, or any other related casualty
4 occurring in 1987 in California.
- 5 (5) Earthquake, aftershock, or any other related casualty
6 occurring in 1989 in California.
- 7 (6) Any loss sustained during 1990 as a result of fire or any
8 other related casualty in California.
- 9 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
10 of 1991, or any other related casualty.
- 11 (8) Any loss sustained as a result of storm, flooding, or any
12 other related casualty occurring in February 1992 in California.
- 13 (9) Earthquake, aftershock, or any other related casualty
14 occurring in April 1992 in the County of Humboldt.
- 15 (10) Riots, arson, or any other related casualty occurring in
16 April or May 1992 in California.
- 17 (11) Any loss sustained as a result of the earthquakes that
18 occurred in the County of San Bernardino in June and July of 1992,
19 or any other related casualty.
- 20 (12) Any loss sustained as a result of the Fountain Fire that
21 occurred in the County of Shasta, or as a result of either of the
22 fires in the Counties of Calaveras and Trinity that occurred in
23 August 1992, or any other related casualty.
- 24 (13) Any loss sustained as a result of storm, flooding, or any
25 other related casualty that occurred in the Counties of Alpine,
26 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
27 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
28 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
29 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
30 Fillmore in January 1993.
- 31 (14) Any loss sustained as a result of a fire that occurred in the
32 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
33 Diego, and Ventura, during October or November of 1993, or any
34 other related casualty.
- 35 (15) Any loss sustained as a result of the earthquake, aftershocks,
36 or any other related casualty that occurred in the Counties of Los
37 Angeles, Orange, and Ventura on or after January 17, 1994.
- 38 (16) Any loss sustained as a result of a fire that occurred in the
39 County of San Luis Obispo during August of 1994, or any other
40 related casualty.

1 (17) Any loss sustained as a result of the storms or flooding
2 occurring in 1995, or any other related casualty, sustained in any
3 county of this state subject to a disaster declaration with respect
4 to the storms and flooding.

5 (18) Any loss sustained as a result of the storms or flooding
6 occurring in December 1996 or January 1997, or any related
7 casualty, sustained in any county of this state subject to a disaster
8 declaration with respect to the storms or flooding.

9 (19) Any loss sustained as a result of the storms or flooding
10 occurring in February 1998, or any related casualty, sustained in
11 any county of this state subject to a disaster declaration with respect
12 to the storms or flooding.

13 (20) Any loss sustained as a result of a freeze occurring in the
14 winter of 1998–99, or any related casualty, sustained in any county
15 of this state subject to a disaster declaration with respect to the
16 freeze.

17 (21) Any loss sustained as a result of an earthquake occurring
18 in September 2000, that was included in the Governor's
19 proclamation of a state of emergency for the County of Napa.

20 (22) Any loss sustained as a result of the Middle River levee
21 break in San Joaquin County occurring in June 2004.

22 (23) Any losses sustained as a result of the fires that occurred
23 in the Counties of Los Angeles, Riverside, San Bernardino, San
24 Diego, and Ventura in October and November 2003, or as a result
25 of floods, mudflows, and debris flows, directly related to fires.

26 (24) Any losses sustained in the Counties of Santa Barbara and
27 San Luis Obispo as a result of the San Simeon earthquake,
28 aftershocks, and any other related casualties.

29 (25) Any losses sustained as a result of the wildfires that
30 occurred in Shasta County, commencing August 11, 2004, and
31 any other related casualty.

32 (26) Any loss sustained in the Counties of Kern, Los Angeles,
33 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
34 and Ventura as a result of the severe rainstorms, related flooding
35 and slides, and any other related casualties, that occurred in
36 December 2004, January 2005, February 2005, March 2005, or
37 June 2005.

38 (27) Any loss sustained in the Counties of Alameda, Alpine,
39 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
40 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,

1 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
2 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
3 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
4 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
5 the severe rainstorms, related flooding and slides, and any other
6 related casualties, that occurred in December 2005, January 2006,
7 March 2006, or April 2006.

8 (28) Any loss sustained in the County of San Bernardino as a
9 result of the wildfires that occurred in July 2006.

10 (29) Any loss sustained in the Counties of Riverside and Ventura
11 as a result of wildfires that occurred during the 2006 calendar year.

12 (30) Any loss sustained in the County of El Dorado as a result
13 of wildfires that occurred in June 2007.

14 (b) (1) In the case of any loss allowed under Section 165(c) of
15 the Internal Revenue Code, relating to limitation of losses of
16 individuals, any excess disaster loss shall be carried forward to
17 each of the five taxable years following the taxable year for which
18 the loss is claimed. However, if there is any excess disaster loss
19 remaining after the five-year period, then the applicable percentage,
20 as set forth in paragraph (1) of subdivision (b) of Section 17276,
21 of that excess disaster loss shall be carried forward to each of the
22 next 10 taxable years.

23 (2) The entire amount of any excess disaster loss as defined in
24 subdivision (c) shall be carried to the earliest of the taxable years
25 to which, by reason of subdivision (b), the loss may be carried.
26 The portion of the loss which shall be carried to each of the other
27 taxable years shall be the excess, if any, of the amount of excess
28 disaster loss over the sum of the adjusted taxable income for each
29 of the prior taxable years to which that excess disaster loss is
30 carried.

31 (c) "Excess disaster loss" means a disaster loss computed
32 pursuant to Section 165 of the Internal Revenue Code which
33 exceeds the adjusted taxable income of the year of loss or, if the
34 election under Section 165(i) of the Internal Revenue Code is
35 made, the adjusted taxable income of the year preceding the loss.

36 (d) The provisions of this section and Section 165(i) of the
37 Internal Revenue Code shall be applicable to any of the losses
38 listed in subdivision (a) sustained in any county or city in this state
39 which was proclaimed by the Governor to be in a state of disaster.

1 (e) Losses allowable under this section may not be taken into
2 account in computing a net operating loss deduction under Section
3 172 of the Internal Revenue Code.

4 (f) For purposes of this section, “adjusted taxable income” shall
5 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

6 (g) For losses described in paragraphs (15) to (30), inclusive,
7 of subdivision (a), the election under Section 165(i) of the Internal
8 Revenue Code may be made on a return or amended return filed
9 on or before the due date of the return (determined with regard to
10 extension) for the taxable year in which the disaster occurred.

11 SEC. 8.9. Section 17207 of the Revenue and Taxation Code
12 is amended to read:

13 17207. (a) An excess disaster loss, as defined in subdivision
14 (c), shall be carried to other taxable years as provided in
15 subdivision (b), with respect to losses resulting from any of the
16 following disasters:

17 (1) Forest fire or any other related casualty occurring in 1985
18 in California.

19 (2) Storm, flooding, or any other related casualty occurring in
20 1986 in California.

21 (3) Any loss sustained during 1987 as a result of a forest fire or
22 any other related casualty.

23 (4) Earthquake, aftershock, or any other related casualty
24 occurring in 1987 in California.

25 (5) Earthquake, aftershock, or any other related casualty
26 occurring in 1989 in California.

27 (6) Any loss sustained during 1990 as a result of fire or any
28 other related casualty in California.

29 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
30 of 1991, or any other related casualty.

31 (8) Any loss sustained as a result of storm, flooding, or any
32 other related casualty occurring in February 1992 in California.

33 (9) Earthquake, aftershock, or any other related casualty
34 occurring in April 1992 in the County of Humboldt.

35 (10) Riots, arson, or any other related casualty occurring in
36 April or May 1992 in California.

37 (11) Any loss sustained as a result of the earthquakes that
38 occurred in the County of San Bernardino in June and July of 1992,
39 or any other related casualty.

(12) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(13) Any loss sustained as a result of storm, flooding, or any other related casualty that occurred in the Counties of Alpine, Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles, Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas, Riverside, San Bernardino, San Diego, Santa Barbara, Sierra, Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of Fillmore in January 1993.

(14) Any loss sustained as a result of a fire that occurred in the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura, during October or November of 1993, or any other related casualty.

(15) Any loss sustained as a result of the earthquake, aftershocks, or any other related casualty that occurred in the Counties of Los Angeles, Orange, and Ventura on or after January 17, 1994.

(16) Any loss sustained as a result of a fire that occurred in the County of San Luis Obispo during August of 1994, or any other related casualty.

(17) Any loss sustained as a result of the storms or flooding occurring in 1995, or any other related casualty, sustained in any county of this state subject to a disaster declaration with respect to the storms and flooding.

(18) Any loss sustained as a result of the storms or flooding occurring in December 1996 or January 1997, or any related casualty, sustained in any county of this state subject to a disaster declaration with respect to the storms or flooding.

(19) Any loss sustained as a result of the storms or flooding occurring in February 1998, or any related casualty, sustained in any county of this state subject to a disaster declaration with respect to the storms or flooding.

(20) Any loss sustained as a result of a freeze occurring in the winter of 1998–99, or any related casualty, sustained in any county of this state subject to a disaster declaration with respect to the freeze.

(21) Any loss sustained as a result of an earthquake occurring in September 2000, that was included in the Governor's proclamation of a state of emergency for the County of Napa.

1 (22) Any loss sustained as a result of the Middle River levee
2 break in San Joaquin County occurring in June 2004.

3 (23) Any losses sustained as a result of the fires that occurred
4 in the Counties of Los Angeles, Riverside, San Bernardino, San
5 Diego, and Ventura in October and November 2003, or as a result
6 of floods, mudflows, and debris flows, directly related to fires.

7 (24) Any losses sustained in the Counties of Santa Barbara and
8 San Luis Obispo as a result of the San Simeon earthquake,
9 aftershocks, and any other related casualties.

10 (25) Any losses sustained as a result of the wildfires that
11 occurred in Shasta County, commencing August 11, 2004, and
12 any other related casualty.

13 (26) Any loss sustained in the Counties of Kern, Los Angeles,
14 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
15 and Ventura as a result of the severe rainstorms, related flooding
16 and slides, and any other related casualties, that occurred in
17 December 2004, January 2005, February 2005, March 2005, or
18 June 2005.

19 (27) Any loss sustained in the Counties of Alameda, Alpine,
20 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
21 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
22 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
23 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
24 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
25 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
26 the severe rainstorms, related flooding and slides, and any other
27 related casualties, that occurred in December 2005, January 2006,
28 March 2006, or April 2006.

29 (28) Any loss sustained in the County of San Bernardino as a
30 result of the wildfires that occurred in July 2006.

31 (29) Any loss sustained in the County of Ventura as a result of
32 wildfires that occurred during the 2006 calendar year.

33 (30) Any loss sustained in the Counties of El Dorado, Fresno,
34 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
35 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa
36 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject
37 of the Governor's proclamations of a state of emergency for the
38 severe freezing conditions that occurred in January 2007.

39 (31) Any loss sustained in the County of El Dorado as a result
40 of wildfires that occurred in June 2007.

(b) (1) In the case of any loss allowed under Section 165(c) of the Internal Revenue Code, relating to limitation of losses of individuals, any excess disaster loss shall be carried forward to each of the five taxable years following the taxable year for which the loss is claimed. However, if there is any excess disaster loss remaining after the five-year period, then the applicable percentage, as set forth in paragraph (1) of subdivision (b) of Section 17276, of that excess disaster loss shall be carried forward to each of the next 10 taxable years.

(2) The entire amount of any excess disaster loss as defined in subdivision (c) shall be carried to the earliest of the taxable years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of excess disaster loss over the sum of the adjusted taxable income for each of the prior taxable years to which that excess disaster loss is carried.

(c) “Excess disaster loss” means a disaster loss computed pursuant to Section 165 of the Internal Revenue Code which exceeds the adjusted taxable income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the adjusted taxable income of the year preceding the loss.

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the losses listed in subdivision (a) sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster.

(e) Losses allowable under this section may not be taken into account in computing a net operating loss deduction under Section 172 of the Internal Revenue Code.

(f) For purposes of this section, “adjusted taxable income” shall be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

(g) For losses described in paragraphs (15) to (31), inclusive, of subdivision (a), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 9. Section 24347.5 of the Revenue and Taxation Code is amended to read:

24347.5. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in

1 subdivision (b), with respect to losses resulting from any of the
2 following disasters:

3 (1) Forest fire or any other related casualty occurring in 1985
4 in California.

5 (2) Storm, flooding, or any other related casualty occurring in
6 1986 in California.

7 (3) Any loss sustained during 1987 as a result of a forest fire or
8 any other related casualty.

9 (4) Earthquake, aftershock, or any other related casualty
10 occurring in October 1987 in California.

11 (5) Earthquake, aftershock, or any other related casualty
12 occurring in October 1989 in California.

13 (6) Any loss sustained during 1990 as a result of fire or any
14 other related casualty in California.

15 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
16 of 1991, or any other related casualty.

17 (8) Any loss sustained as a result of storm, flooding, or any
18 other related casualty occurring in February 1992 in California.

19 (9) Earthquake, aftershock, or any other related casualty
20 occurring in April 1992 in the County of Humboldt.

21 (10) Riots, arson, or any other related casualty occurring in
22 April or May 1992 in California.

23 (11) Any loss sustained as a result of the earthquakes or any
24 other related casualty that occurred in the County of San
25 Bernardino in June and July of 1992.

26 (12) Any loss sustained as a result of the Fountain Fire that
27 occurred in the County of Shasta, or as a result of either of the
28 fires in the Counties of Calaveras and Trinity that occurred in
29 August 1992, or any other related casualty.

30 (13) Any loss sustained as a result of storm, flooding, or any
31 other related casualty that occurred in the Counties of Alpine,
32 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
33 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
34 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
35 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
36 Fillmore in January 1993.

37 (14) Any loss sustained as a result of a fire that occurred in the
38 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
39 Diego, and Ventura, during October or November of 1993, or any
40 other related casualty.

1 (15) Any loss sustained as a result of the earthquake, aftershocks,
2 or any other related casualty that occurred in the Counties of Los
3 Angeles, Orange, and Ventura on or after January 17, 1994.

4 (16) Any loss sustained as a result of a fire that occurred in the
5 County of San Luis Obispo during August of 1994, or any other
6 related casualty.

7 (17) Any loss sustained as a result of the storms or flooding
8 occurring in 1995, or any other related casualty, sustained in any
9 county of this state subject to a disaster declaration with respect
10 to the storms and flooding.

11 (18) Any loss sustained as a result of the storms or flooding
12 occurring in December 1996 or January 1997, or any related
13 casualty, sustained in any county of this state subject to a disaster
14 declaration with respect to the storms or flooding.

15 (19) Any loss sustained as a result of the storms or flooding
16 occurring in February 1998, or any related casualty, sustained in
17 any county of this state subject to a disaster declaration with respect
18 to the storms or flooding.

19 (20) Any loss sustained as a result of a freeze occurring in the
20 winter of 1998–99, or any related casualty, sustained in any county
21 of this state subject to a disaster declaration with respect to the
22 freeze.

23 (21) Any loss sustained as a result of an earthquake occurring
24 in September 2000, that was included in the Governor's
25 proclamation of a state of emergency for the County of Napa.

26 (22) Any loss sustained as a result of the Middle River levee
27 break in San Joaquin County occurring in June 2004.

28 (23) Any losses sustained as a result of the fires that occurred
29 in the Counties of Los Angeles, Riverside, San Bernardino, San
30 Diego, and Ventura in October and November 2003, or as a result
31 of floods, mudflows, and debris flows, directly related to fires.

32 (24) Any losses sustained in the Counties of Santa Barbara and
33 San Luis Obispo as a result of the San Simeon earthquake,
34 aftershocks, and any other related casualties.

35 (25) Any losses sustained as a result of the wildfires that
36 occurred in Shasta County, commencing August 11, 2004, and
37 any other related casualty.

38 (26) Any loss sustained in the Counties of Kern, Los Angeles,
39 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
40 and Ventura as a result of the severe rainstorms, related flooding

1 and slides, and any other related casualties, that occurred in
2 December 2004, January 2005, February 2005, March 2005, or
3 June 2005.

4 (27) Any loss sustained in the Counties of Alameda, Alpine,
5 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
6 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
7 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
8 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
9 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
10 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
11 the severe rainstorms, related flooding and slides, and any other
12 related casualties, that occurred in December 2005, January 2006,
13 March 2006, or April 2006.

14 (28) Any loss sustained in the County of San Bernardino as a
15 result of the wildfires that occurred in July 2006.

16 (29) Any loss sustained in the County of Ventura as a result of
17 the wildfires that occurred during the 2006 calendar year.

18 (30) Any loss sustained in the County of El Dorado as a result
19 of wildfires that occurred in June 2007.

20 (b) (1) In the case of any loss allowed under Section 165 of the
21 Internal Revenue Code, relating to losses, any excess disaster loss
22 shall be carried forward to each of the five taxable years following
23 the taxable year for which the loss is claimed. However, if there
24 is any excess disaster loss remaining after the five-year period,
25 then the applicable percentage, as set forth in paragraph (1) of
26 subdivision (b) of Section 24416, of that excess disaster loss shall
27 be carried forward to each of the next 10 taxable years.

28 (2) The entire amount of any excess disaster loss as defined in
29 subdivision (c) shall be carried to the earliest of the taxable years
30 to which, by reason of subdivision (b), the loss may be carried.
31 The portion of the loss which shall be carried to each of the other
32 taxable years shall be the excess, if any, of the amount of excess
33 disaster loss over the sum of the net income for each of the prior
34 taxable years to which that excess disaster loss is carried.

35 (c) "Excess disaster loss" means a disaster loss computed
36 pursuant to Section 165 of the Internal Revenue Code, which
37 exceeds the net income of the year of loss or, if the election under
38 Section 165(i) of the Internal Revenue Code is made, the net
39 income of the year preceding the loss.

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the losses listed in subdivision (a) sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster.

(e) Any corporation subject to the provisions of Section 25101 or 25101.15 that has disaster losses pursuant to this section, shall determine the excess disaster loss to be carried to other taxable years under the principles specified in Section 25108 relating to net operating losses.

(f) Losses allowable under this section may not be taken into account in computing a net operating loss deduction under Section 172 of the Internal Revenue Code.

(g) For losses described in paragraphs (15) to (30), inclusive, of subdivision (a), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 9.5. Section 24347.5 of the Revenue and Taxation Code is amended to read:

24347.5. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in October 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in October 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

1 (9) Earthquake, aftershock, or any other related casualty
2 occurring in April 1992 in the County of Humboldt.

3 (10) Riots, arson, or any other related casualty occurring in
4 April or May 1992 in California.

5 (11) Any loss sustained as a result of the earthquakes or any
6 other related casualty that occurred in the County of San
7 Bernardino in June and July of 1992.

8 (12) Any loss sustained as a result of the Fountain Fire that
9 occurred in the County of Shasta, or as a result of either of the
10 fires in the Counties of Calaveras and Trinity that occurred in
11 August 1992, or any other related casualty.

12 (13) Any loss sustained as a result of storm, flooding, or any
13 other related casualty that occurred in the Counties of Alpine,
14 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
15 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
16 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
17 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
18 Fillmore in January 1993.

19 (14) Any loss sustained as a result of a fire that occurred in the
20 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
21 Diego, and Ventura, during October or November of 1993, or any
22 other related casualty.

23 (15) Any loss sustained as a result of the earthquake, aftershocks,
24 or any other related casualty that occurred in the Counties of Los
25 Angeles, Orange, and Ventura on or after January 17, 1994.

26 (16) Any loss sustained as a result of a fire that occurred in the
27 County of San Luis Obispo during August of 1994, or any other
28 related casualty.

29 (17) Any loss sustained as a result of the storms or flooding
30 occurring in 1995, or any other related casualty, sustained in any
31 county of this state subject to a disaster declaration with respect
32 to the storms and flooding.

33 (18) Any loss sustained as a result of the storms or flooding
34 occurring in December 1996 or January 1997, or any related
35 casualty, sustained in any county of this state subject to a disaster
36 declaration with respect to the storms or flooding.

37 (19) Any loss sustained as a result of the storms or flooding
38 occurring in February 1998, or any related casualty, sustained in
39 any county of this state subject to a disaster declaration with respect
40 to the storms or flooding.

1 (20) Any loss sustained as a result of a freeze occurring in the
2 winter of 1998–99, or any related casualty, sustained in any county
3 of this state subject to a disaster declaration with respect to the
4 freeze.

5 (21) Any loss sustained as a result of an earthquake occurring
6 in September 2000, that was included in the Governor’s
7 proclamation of a state of emergency for the County of Napa.

8 (22) Any loss sustained as a result of the Middle River levee
9 break in San Joaquin County occurring in June 2004.

10 (23) Any losses sustained as a result of the fires that occurred
11 in the Counties of Los Angeles, Riverside, San Bernardino, San
12 Diego, and Ventura in October and November 2003, or as a result
13 of floods, mudflows, and debris flows, directly related to fires.

14 (24) Any losses sustained in the Counties of Santa Barbara and
15 San Luis Obispo as a result of the San Simeon earthquake,
16 aftershocks, and any other related casualties.

17 (25) Any losses sustained as a result of the wildfires that
18 occurred in Shasta County, commencing August 11, 2004, and
19 any other related casualty.

20 (26) Any loss sustained in the Counties of Kern, Los Angeles,
21 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
22 and Ventura as a result of the severe rainstorms, related flooding
23 and slides, and any other related casualties, that occurred in
24 December 2004, January 2005, February 2005, March 2005, or
25 June 2005.

26 (27) Any loss sustained in the Counties of Alameda, Alpine,
27 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
28 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
29 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
30 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
31 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
32 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
33 the severe rainstorms, related flooding and slides, and any other
34 related casualties, that occurred in December 2005, January 2006,
35 March 2006, or April 2006.

36 (28) Any loss sustained in the County of San Bernardino as a
37 result of the wildfires that occurred in July 2006.

38 (29) Any loss sustained in the Counties of Riverside and Ventura
39 as a result of wildfires that occurred during the 2006 calendar year.

1 (30) Any loss sustained in the Counties of El Dorado, Fresno,
2 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
3 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa
4 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject
5 of the Governor's proclamations of a state of emergency for the
6 severe freezing conditions that occurred in January 2007.

7 (31) Any loss sustained in the County of El Dorado as a result
8 of wildfires that occurred in June 2007.

9 (b) (1) In the case of any loss allowed under Section 165 of the
10 Internal Revenue Code, relating to losses, any excess disaster loss
11 shall be carried forward to each of the five taxable years following
12 the taxable year for which the loss is claimed. However, if there
13 is any excess disaster loss remaining after the five-year period,
14 then the applicable percentage, as set forth in paragraph (1) of
15 subdivision (b) of Section 24416, of that excess disaster loss shall
16 be carried forward to each of the next 10 taxable years.

17 (2) The entire amount of any excess disaster loss as defined in
18 subdivision (c) shall be carried to the earliest of the taxable years
19 to which, by reason of subdivision (b), the loss may be carried.
20 The portion of the loss which shall be carried to each of the other
21 taxable years shall be the excess, if any, of the amount of excess
22 disaster loss over the sum of the net income for each of the prior
23 taxable years to which that excess disaster loss is carried.

24 (c) "Excess disaster loss" means a disaster loss computed
25 pursuant to Section 165 of the Internal Revenue Code, which
26 exceeds the net income of the year of loss or, if the election under
27 Section 165(i) of the Internal Revenue Code is made, the net
28 income of the year preceding the loss.

29 (d) The provisions of this section and Section 165(i) of the
30 Internal Revenue Code shall be applicable to any of the losses
31 listed in subdivision (a) sustained in any county or city in this state
32 which was proclaimed by the Governor to be in a state of disaster.

33 (e) Any corporation subject to the provisions of Section 25101
34 or 25101.15 that has disaster losses pursuant to this section, shall
35 determine the excess disaster loss to be carried to other taxable
36 years under the principles specified in Section 25108 relating to
37 net operating losses.

38 (f) Losses allowable under this section may not be taken into
39 account in computing a net operating loss deduction under Section
40 172 of the Internal Revenue Code.

(g) For losses described in paragraphs (15) to (31), inclusive, of subdivision (a), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 9.7. Section 24347.5 of the Revenue and Taxation Code is amended to read:

24347.5. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in October 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in October 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(9) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(10) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(11) Any loss sustained as a result of the earthquakes or any other related casualty that occurred in the County of San Bernardino in June and July of 1992.

(12) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(13) Any loss sustained as a result of storm, flooding, or any other related casualty that occurred in the Counties of Alpine,

1 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
2 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
3 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
4 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
5 Fillmore in January 1993.

6 (14) Any loss sustained as a result of a fire that occurred in the
7 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
8 Diego, and Ventura, during October or November of 1993, or any
9 other related casualty.

10 (15) Any loss sustained as a result of the earthquake, aftershocks,
11 or any other related casualty that occurred in the Counties of Los
12 Angeles, Orange, and Ventura on or after January 17, 1994.

13 (16) Any loss sustained as a result of a fire that occurred in the
14 County of San Luis Obispo during August of 1994, or any other
15 related casualty.

16 (17) Any loss sustained as a result of the storms or flooding
17 occurring in 1995, or any other related casualty, sustained in any
18 county of this state subject to a disaster declaration with respect
19 to the storms and flooding.

20 (18) Any loss sustained as a result of the storms or flooding
21 occurring in December 1996 or January 1997, or any related
22 casualty, sustained in any county of this state subject to a disaster
23 declaration with respect to the storms or flooding.

24 (19) Any loss sustained as a result of the storms or flooding
25 occurring in February 1998, or any related casualty, sustained in
26 any county of this state subject to a disaster declaration with respect
27 to the storms or flooding.

28 (20) Any loss sustained as a result of a freeze occurring in the
29 winter of 1998–99, or any related casualty, sustained in any county
30 of this state subject to a disaster declaration with respect to the
31 freeze.

32 (21) Any loss sustained as a result of an earthquake occurring
33 in September 2000, that was included in the Governor's
34 proclamation of a state of emergency for the County of Napa.

35 (22) Any loss sustained as a result of the Middle River levee
36 break in San Joaquin County occurring in June 2004.

37 (23) Any losses sustained as a result of the fires that occurred
38 in the Counties of Los Angeles, Riverside, San Bernardino, San
39 Diego, and Ventura in October and November 2003, or as a result
40 of floods, mudflows, and debris flows, directly related to fires.

1 (24) Any losses sustained in the Counties of Santa Barbara and
2 San Luis Obispo as a result of the San Simeon earthquake,
3 aftershocks, and any other related casualties.

4 (25) Any losses sustained as a result of the wildfires that
5 occurred in Shasta County, commencing August 11, 2004, and
6 any other related casualty.

7 (26) Any loss sustained in the Counties of Kern, Los Angeles,
8 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
9 and Ventura as a result of the severe rainstorms, related flooding
10 and slides, and any other related casualties, that occurred in
11 December 2004, January 2005, February 2005, March 2005, or
12 June 2005.

13 (27) Any loss sustained in the Counties of Alameda, Alpine,
14 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
15 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
16 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
17 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
18 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
19 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
20 the severe rainstorms, related flooding and slides, and any other
21 related casualties, that occurred in December 2005, January 2006,
22 March 2006, or April 2006.

23 (28) Any loss sustained in the County of San Bernardino as a
24 result of the wildfires that occurred in July 2006.

25 (29) Any loss sustained in the Counties of Riverside and Ventura
26 as a result of wildfires that occurred during the 2006 calendar year.

27 (30) Any loss sustained in the County of El Dorado as a result
28 of wildfires that occurred in June 2007.

29 (b) (1) In the case of any loss allowed under Section 165 of the
30 Internal Revenue Code, relating to losses, any excess disaster loss
31 shall be carried forward to each of the five taxable years following
32 the taxable year for which the loss is claimed. However, if there
33 is any excess disaster loss remaining after the five-year period,
34 then the applicable percentage, as set forth in paragraph (1) of
35 subdivision (b) of Section 24416, of that excess disaster loss shall
36 be carried forward to each of the next 10 taxable years.

37 (2) The entire amount of any excess disaster loss as defined in
38 subdivision (c) shall be carried to the earliest of the taxable years
39 to which, by reason of subdivision (b), the loss may be carried.
40 The portion of the loss which shall be carried to each of the other

1 taxable years shall be the excess, if any, of the amount of excess
2 disaster loss over the sum of the net income for each of the prior
3 taxable years to which that excess disaster loss is carried.

4 (c) "Excess disaster loss" means a disaster loss computed
5 pursuant to Section 165 of the Internal Revenue Code, which
6 exceeds the net income of the year of loss or, if the election under
7 Section 165(i) of the Internal Revenue Code is made, the net
8 income of the year preceding the loss.

9 (d) The provisions of this section and Section 165(i) of the
10 Internal Revenue Code shall be applicable to any of the losses
11 listed in subdivision (a) sustained in any county or city in this state
12 which was proclaimed by the Governor to be in a state of disaster.

13 (e) Any corporation subject to the provisions of Section 25101
14 or 25101.15 that has disaster losses pursuant to this section, shall
15 determine the excess disaster loss to be carried to other taxable
16 years under the principles specified in Section 25108 relating to
17 net operating losses.

18 (f) Losses allowable under this section may not be taken into
19 account in computing a net operating loss deduction under Section
20 172 of the Internal Revenue Code.

21 (g) For losses described in paragraphs (15) to (30), inclusive,
22 of subdivision (a), the election under Section 165(i) of the Internal
23 Revenue Code may be made on a return or amended return filed
24 on or before the due date of the return (determined with regard to
25 extension) for the taxable year in which the disaster occurred.

26 SEC. 9.9. Section 24347.5 of the Revenue and Taxation Code
27 is amended to read:

28 24347.5. (a) An excess disaster loss, as defined in subdivision
29 (c), shall be carried to other taxable years as provided in
30 subdivision (b), with respect to losses resulting from any of the
31 following disasters:

32 (1) Forest fire or any other related casualty occurring in 1985
33 in California.

34 (2) Storm, flooding, or any other related casualty occurring in
35 1986 in California.

36 (3) Any loss sustained during 1987 as a result of a forest fire or
37 any other related casualty.

38 (4) Earthquake, aftershock, or any other related casualty
39 occurring in October 1987 in California.

- 1 (5) Earthquake, aftershock, or any other related casualty
2 occurring in October 1989 in California.
- 3 (6) Any loss sustained during 1990 as a result of fire or any
4 other related casualty in California.
- 5 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
6 of 1991, or any other related casualty.
- 7 (8) Any loss sustained as a result of storm, flooding, or any
8 other related casualty occurring in February 1992 in California.
- 9 (9) Earthquake, aftershock, or any other related casualty
10 occurring in April 1992 in the County of Humboldt.
- 11 (10) Riots, arson, or any other related casualty occurring in
12 April or May 1992 in California.
- 13 (11) Any loss sustained as a result of the earthquakes or any
14 other related casualty that occurred in the County of San
15 Bernardino in June and July of 1992.
- 16 (12) Any loss sustained as a result of the Fountain Fire that
17 occurred in the County of Shasta, or as a result of either of the
18 fires in the Counties of Calaveras and Trinity that occurred in
19 August 1992, or any other related casualty.
- 20 (13) Any loss sustained as a result of storm, flooding, or any
21 other related casualty that occurred in the Counties of Alpine,
22 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
23 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
24 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
25 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
26 Fillmore in January 1993.
- 27 (14) Any loss sustained as a result of a fire that occurred in the
28 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
29 Diego, and Ventura, during October or November of 1993, or any
30 other related casualty.
- 31 (15) Any loss sustained as a result of the earthquake, aftershocks,
32 or any other related casualty that occurred in the Counties of Los
33 Angeles, Orange, and Ventura on or after January 17, 1994.
- 34 (16) Any loss sustained as a result of a fire that occurred in the
35 County of San Luis Obispo during August of 1994, or any other
36 related casualty.
- 37 (17) Any loss sustained as a result of the storms or flooding
38 occurring in 1995, or any other related casualty, sustained in any
39 county of this state subject to a disaster declaration with respect
40 to the storms and flooding.

1 (18) Any loss sustained as a result of the storms or flooding
2 occurring in December 1996 or January 1997, or any related
3 casualty, sustained in any county of this state subject to a disaster
4 declaration with respect to the storms or flooding.

5 (19) Any loss sustained as a result of the storms or flooding
6 occurring in February 1998, or any related casualty, sustained in
7 any county of this state subject to a disaster declaration with respect
8 to the storms or flooding.

9 (20) Any loss sustained as a result of a freeze occurring in the
10 winter of 1998–99, or any related casualty, sustained in any county
11 of this state subject to a disaster declaration with respect to the
12 freeze.

13 (21) Any loss sustained as a result of an earthquake occurring
14 in September 2000, that was included in the Governor's
15 proclamation of a state of emergency for the County of Napa.

16 (22) Any loss sustained as a result of the Middle River levee
17 break in San Joaquin County occurring in June 2004.

18 (23) Any losses sustained as a result of the fires that occurred
19 in the Counties of Los Angeles, Riverside, San Bernardino, San
20 Diego, and Ventura in October and November 2003, or as a result
21 of floods, mudflows, and debris flows, directly related to fires.

22 (24) Any losses sustained in the Counties of Santa Barbara and
23 San Luis Obispo as a result of the San Simeon earthquake,
24 aftershocks, and any other related casualties.

25 (25) Any losses sustained as a result of the wildfires that
26 occurred in Shasta County, commencing August 11, 2004, and
27 any other related casualty.

28 (26) Any loss sustained in the Counties of Kern, Los Angeles,
29 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
30 and Ventura as a result of the severe rainstorms, related flooding
31 and slides, and any other related casualties, that occurred in
32 December 2004, January 2005, February 2005, March 2005, or
33 June 2005.

34 (27) Any loss sustained in the Counties of Alameda, Alpine,
35 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
36 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
37 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
38 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
39 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
40 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of

1 the severe rainstorms, related flooding and slides, and any other
2 related casualties, that occurred in December 2005, January 2006,
3 March 2006, or April 2006.

4 (28) Any loss sustained in the County of San Bernardino as a
5 result of the wildfires that occurred in July 2006.

6 (29) Any loss sustained in the County of Ventura as a result of
7 wildfires that occurred during the 2006 calendar year.

8 (30) Any loss sustained in the Counties of El Dorado, Fresno,
9 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
10 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa
11 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject
12 of the Governor's proclamations of a state of emergency for the
13 severe freezing conditions that occurred in January 2007.

14 (31) Any loss sustained in the County of El Dorado as a result
15 of wildfires that occurred in June 2007.

16 (b) (1) In the case of any loss allowed under Section 165 of the
17 Internal Revenue Code, relating to losses, any excess disaster loss
18 shall be carried forward to each of the five taxable years following
19 the taxable year for which the loss is claimed. However, if there
20 is any excess disaster loss remaining after the five-year period,
21 then the applicable percentage, as set forth in paragraph (1) of
22 subdivision (b) of Section 24416, of that excess disaster loss shall
23 be carried forward to each of the next 10 taxable years.

24 (2) The entire amount of any excess disaster loss as defined in
25 subdivision (c) shall be carried to the earliest of the taxable years
26 to which, by reason of subdivision (b), the loss may be carried.
27 The portion of the loss which shall be carried to each of the other
28 taxable years shall be the excess, if any, of the amount of excess
29 disaster loss over the sum of the net income for each of the prior
30 taxable years to which that excess disaster loss is carried.

31 (c) "Excess disaster loss" means a disaster loss computed
32 pursuant to Section 165 of the Internal Revenue Code, which
33 exceeds the net income of the year of loss or, if the election under
34 Section 165(i) of the Internal Revenue Code is made, the net
35 income of the year preceding the loss.

36 (d) The provisions of this section and Section 165(i) of the
37 Internal Revenue Code shall be applicable to any of the losses
38 listed in subdivision (a) sustained in any county or city in this state
39 which was proclaimed by the Governor to be in a state of disaster.

1 (e) Any corporation subject to the provisions of Section 25101
2 or 25101.15 that has disaster losses pursuant to this section, shall
3 determine the excess disaster loss to be carried to other taxable
4 years under the principles specified in Section 25108 relating to
5 net operating losses.

6 (f) Losses allowable under this section may not be taken into
7 account in computing a net operating loss deduction under Section
8 172 of the Internal Revenue Code.

9 (g) For losses described in paragraphs (15) to (31), inclusive,
10 of subdivision (a), the election under Section 165(i) of the Internal
11 Revenue Code may be made on a return or amended return filed
12 on or before the due date of the return (determined with regard to
13 extension) for the taxable year in which the disaster occurred.

14 SEC. 10. It is the intent of the Legislature to provide in the
15 annual Budget Act those additional reimbursements to local
16 governments that, as a result of Section 4 of this act, are required
17 by Section 25 of Article XIII of the California Constitution.

18 SEC. 11. The Legislature finds and declares that this act fulfills
19 a statewide public purpose because of all of the following:

20 (a) The Governor of California has officially proclaimed a state
21 of emergency declaring that the wildfires that occurred within the
22 County of Ventura, commencing in September 2006, constitute
23 conditions of extreme peril to public health and safety to persons
24 and property within that county, thus qualifying affected persons
25 for various forms of governmental assistance and relief.

26 (b) This act is consistent with, and supplements, the proclaimed
27 disaster assistance and relief by providing necessary fiscal
28 assistance and tax relief to affected jurisdictions and persons to
29 allow them to maintain essential basic services and repair damage
30 to, and restore, their homes and businesses.

31 SEC. 12. If the Commission on State Mandates determines
32 that this act contains costs mandated by the state, reimbursement
33 to local agencies and school districts for those costs shall be made
34 pursuant to Part 7 (commencing with Section 17500) of Division
35 4 of Title 2 of the Government Code.

36 SEC. 13. (a) (1) Section 7.5 of this bill incorporates
37 amendments to Section 218 of the Revenue and Taxation Code
38 proposed by this bill, SB 38, and SB 114. It shall only become
39 operative if (1) all three bills are enacted and become effective on
40 or before January 1, 2008, (2) all three bills amend Section 218 of

1 the Revenue and Taxation Code, and (3) this bill is enacted after
2 SB 38 and SB 114, in which case Section 218 of the Revenue and
3 Taxation Code, as amended by SB 38 and SB 114, shall remain
4 operative only until the operative date of this bill, at which time
5 Section 7.5 of this bill shall become operative, and Section 7 of
6 this bill shall not become operative.

7 (2) Section 7.7 of this bill incorporates amendments to Section
8 218 of the Revenue and Taxation Code proposed by this bill and
9 SB 38. It shall only become operative if (1) both bills are enacted
10 and become effective on or before January 1, 2008, (2) each bill
11 amends Section 218 of the Revenue and Taxation Code, (3) SB
12 114 is not enacted, or if enacted, does not amend Section 218 of
13 the Revenue and Taxation Code, and (4) this bill is enacted after
14 SB 38, in which case Section 218 of the Revenue and Taxation
15 Code, as amended by SB 38, shall remain operative only until the
16 operative date of this bill, at which time Section 7.7 of this bill
17 shall become operative, and Section 7 of this bill shall not become
18 operative.

19 (3) Section 7.9 of this bill incorporates amendments to Section
20 218 of the Revenue and Taxation Code proposed by this bill and
21 SB 114. It shall only become operative if (1) both bills are enacted
22 and become effective on or before January 1, 2008, (2) each bill
23 amends Section 218 of the Revenue and Taxation Code, (3) SB
24 38 is not enacted, or if enacted, does not amend Section 218 of the
25 Revenue and Taxation Code, and (4) this bill is enacted after SB
26 114, in which case Section 218 of the Revenue and Taxation Code,
27 as amended by SB 114, shall remain operative only until the
28 operative date of this bill, at which time Section 7.9 of this bill
29 shall become operative, and Section 7 of this bill shall not become
30 operative.

31 (b) (1) Section 8.5 of this bill incorporates amendments to
32 Section 17207 of the Revenue and Taxation Code proposed by
33 this bill, SB 38, and SB 114. It shall only become operative if (1)
34 all three bills are enacted and become effective on or before January
35 1, 2008, (2) all three bills amend Section 17207 of the Revenue
36 and Taxation Code, and (3) this bill is enacted after SB 38 and SB
37 114, in which case Section 17207 of the Revenue and Taxation
38 Code, as amended by SB 38 and SB 114, shall remain operative
39 only until the operative date of this bill, at which time Section 8.5

1 of this bill shall become operative, and Section 8 of this bill shall
2 not become operative.

3 (2) Section 8.7 of this bill incorporates amendments to Section
4 17207 of the Revenue and Taxation Code proposed by this bill
5 and SB 38. It shall only become operative if (1) both bills are
6 enacted and become effective on or before January 1, 2008, (2)
7 each bill amends Section 17207 of the Revenue and Taxation Code,
8 (3) SB 114 is not enacted, or if enacted, does not amend Section
9 17207 of the Revenue and Taxation Code, and (4) this bill is
10 enacted after SB 38, in which case Section 17207 of the Revenue
11 and Taxation Code, as amended by SB 38, shall remain operative
12 only until the operative date of this bill, at which time Section 8.7
13 of this bill shall become operative, and Section 8 of this bill shall
14 not become operative.

15 (3) Section 8.9 of this bill incorporates amendments to Section
16 17207 of the Revenue and Taxation Code proposed by this bill
17 and SB 114. It shall only become operative if (1) both bills are
18 enacted and become effective on or before January 1, 2008, (2)
19 each bill amends Section 17207 of the Revenue and Taxation Code,
20 (3) SB 38 is not enacted, or if enacted, does not amend Section
21 17207 of the Revenue and Taxation Code, and (4) this bill is
22 enacted after SB 114, in which case Section 17207 of the Revenue
23 and Taxation Code, as amended by SB 114, shall remain operative
24 only until the operative date of this bill, at which time Section 8.9
25 of this bill shall become operative, and Section 8 of this bill shall
26 not become operative.

27 (c) (1) Section 9.5 of this bill incorporates amendments to
28 Section 24347.5 of the Revenue and Taxation Code proposed by
29 this bill, SB 38, and SB 114. It shall only become operative if (1)
30 all three bills are enacted and become effective on or before January
31 1, 2008, (2) all three bills amend Section 24347.5 of the Revenue
32 and Taxation Code, and (3) this bill is enacted after SB 38 and SB
33 114, in which case Section 24347.5 of the Revenue and Taxation
34 Code, as amended by SB 38 and SB 114, shall remain operative
35 only until the operative date of this bill, at which time Section 9.5
36 of this bill shall become operative, and Section 9 of this bill shall
37 not become operative.

38 (2) Section 9.7 of this bill incorporates amendments to Section
39 24347.5 of the Revenue and Taxation Code proposed by this bill
40 and SB 38. It shall only become operative if (1) both bills are

1 enacted and become effective on or before January 1, 2008, (2)
2 each bill amends Section 24347.5 of the Revenue and Taxation
3 Code, (3) SB 114 is not enacted, or if enacted, does not amend
4 Section 24347.5 of the Revenue and Taxation Code, and (4) this
5 bill is enacted after SB 38, in which case Section 24347.5 of the
6 Revenue and Taxation Code, as amended by SB 38, shall remain
7 operative only until the operative date of this bill, at which time
8 Section 9.7 of this bill shall become operative, and Section 9 of
9 this bill shall not become operative.

10 (3) Section 9.9 of this bill incorporates amendments to Section
11 24347.5 of the Revenue and Taxation Code proposed by this bill
12 and SB 114. It shall only become operative if (1) both bills are
13 enacted and become effective on or before January 1, 2008, (2)
14 each bill amends Section 24347.5 of the Revenue and Taxation
15 Code, (3) SB 38 is not enacted, or if enacted, does not amend
16 Section 24347.5 of the Revenue and Taxation Code, and (4) this
17 bill is enacted after SB 114, in which case Section 24347.5 of the
18 Revenue and Taxation Code, as amended by SB 114, shall remain
19 operative only until the operative date of this bill, at which time
20 Section 9.9 of this bill shall become operative, and Section 9 of
21 this bill shall not become operative.

22 SEC. 14. This act is an urgency statute necessary for the
23 immediate preservation of the public peace, health, or safety within
24 the meaning of Article IV of the Constitution and shall go into
25 immediate effect. The facts constituting the necessity are:

26 In order to timely provide essential relief to those persons and
27 jurisdictions who have suffered damage or loss as a result of the
28 wildfires that occurred in the County of Ventura, commencing in
29 September of 2006, it is necessary that this act take effect
30 immediately.